



NEWS FROM THE OFFICE OF
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COUNTY'S TUITION BILL IN EXCESS OF \$2.8 MILLION
ULSTER COUNTY COMPTROLLER ISSUES REPORT ON "COLLEGE CHARGEBACK" SYSTEM

FOR IMMEDIATE RELEASE

KINGSTON, NY (November 19, 2012)... Ulster County Comptroller Elliott Auerbach has issued a report on a little-known, but very costly, unfunded mandate to the County, known as "college chargebacks." Under New York State Education Law, counties pay a "chargeback fee" when one of their residents attends a community college outside their home county. When the system was first enacted in the 1950's, the law was meant to create a three way partnership between the State, county and the student, with an expectation that each would share equally in the cost of providing educational services. Today, however, the State share of annual operating and capital costs is much lower than it was when the law was enacted. The result is an ever-increasing unfunded mandate from the State.

The report concludes that "the current process for determining appropriate chargeback rates is highly complex, inconsistent and not transparent. These calculations can also result in chargeback rates that change dramatically from year to year, making it difficult for counties to budget appropriately." More than that, Ulster County is hit very hard by the college chargeback mandate, because there are many more Ulster residents, for a myriad of reasons, choosing out-of-county community colleges than there are out-of-county residents choosing SUNY ULSTER (also known as Ulster County Community College).

During calendar year 2011, Ulster County paid community colleges approximately \$2.8 million for our residents attending out of county community colleges. In contrast, Ulster County received back \$80,480 for its share of chargebacks from out-of-county students attending SUNY ULSTER.

"The purpose of the report is to educate both Ulster residents and government officials as to this huge expense, because we need to look into developing both short-term and long-term strategies," said Auerbach. "In the short-term, we recommend some very minor adjustments in the application protocol to make sure the County is protected from overpayment. But local and county lawmakers need to add it to the growing list of unfunded mandate relief items that we have to address with Albany. This chargeback system was put in place when New York State was paying a third of the cost of community college tuition; but over time, Albany's number keeps getting smaller, and our number keeps getting higher."

As for long-term strategies, the Report makes several recommendations as to how the numbers might be shifted to be a little more equitable to Ulster County. Says Auerbach, "We have recommended a study of the reasons why so many Ulster students choose to attend out-of-county community colleges. If there are identifiable reasons, like the lack of certain programs or the lack of student housing to provide an "on-campus" experience, we need to know that, and try to address it."

The long term fiscal benefits in terms of chargeback relief and economic growth related to SUNY ULSTER's potential growth could easily offset the cost of addressing the issues identified.

"Keeping students here at SUNY ULSTER leads to the growth and vibrancy of both the college and the county now and for generations," Auerbach says, "and the sheer size of this burden makes it worthy of study and long-range planning."

The report, entitled **Community College Chargeback Payments, Report of Examination**, can be found on line at www.ulstercountyny.gov/comptroller

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